

Exhibit C

1. APPROVAL: This Agreement is of no force or effect until signed by both parties. Contractor may not commence performance until such approval has been obtained.
2. AMENDMENT: No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.
3. ANTITRUST CLAIMS: The Contractor by signing this agreement hereby certifies that if these services or goods are obtained by means of a competitive bid, the Contractor shall comply with the requirements of the Government Codes Sections set out below.
 - a. The Government Code Chapter on Antitrust claims contains the following definitions:
 - 1). "Public purchase" means a purchase by means of competitive bids of goods, services, or materials by the State or any of its political subdivisions or public agencies on whose behalf the Attorney General may bring an action pursuant to subdivision (c) of Section 16750 of the Business and Professions Code.
 - 2). "Public purchasing body" means the State or the subdivision or agency making a public purchase. Government Code Section 4550.
 - b. In submitting a bid to a public purchasing body, the bidder offers and agrees that if the bid is accepted, it will assign to the purchasing body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the bidder for sale to the purchasing body pursuant to the bid. Such assignment shall be made and become effective at the time the purchasing body tenders final payment to the bidder. Government Code Section 4552.
 - c. If an awarding body or public purchasing body receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this chapter, the assignor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the public body any portion of the recovery, including treble damages, attributable to overcharges that were paid by the assignor but were not paid by the public body as part of the bid price, less the expenses incurred in obtaining that portion of the recovery. Government Code Section 4553.
 - d. Upon demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under this part if the assignor has been or may have been injured by the violation of law for which the cause of action arose and (a) the assignee has not been injured thereby, or (b) the assignee declines to file a court action for the cause of action. See Government Code Section 4554.
4. ASSIGNMENT: This Agreement is not assignable by the Contractor, either in whole or in part, without the consent of the State in the form of a formal written amendment.
5. AUDIT: Contractor agrees that the awarding department the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor

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agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (GC 8546.7, PCC 10115 et seq., CCR Title 2, Section 1896).

6. CERTIFICATION CLAUSES: The CONTRACTOR CERTIFICATION CLAUSES (CCC) contained in the document are hereby incorporated by reference and made a part of this Agreement by this reference as if attached hereto.
7. CHILD SUPPORT COMPLIANCE ACT: "For any Agreement in excess of \$100,000, the contractor acknowledges in accordance with Public Contract Code 7110, that:
 - a) The contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and
 - b) The contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department."
8. COMPENSATION: The consideration to be paid Contractor, as provided herein, shall be in compensation for all of Contractor's expenses incurred in the performance hereof, including travel, per diem, and taxes, unless otherwise expressly so provided.
9. DISPUTES: Contractor shall continue with the responsibilities under this Agreement during any dispute.
10. EXTENSION OF CONTRACT TERM: With the approval of both parties, Prison Industry Authority (PIA) reserves the right at the conclusion of the contract term to amend the contract for an additional one-year period and/or for additional funds, under the existing terms and conditions. PIA will notify Contractor of its intention to amend their contract at least six (6) months prior to the contract expiration date. A written and approved amendment to extend the contract will be required for the extension.
11. GOVERNING LAW: This contract is governed by and shall be interpreted in accordance with the laws of the State of California.
12. INDEMNIFICATION: Contractor agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or

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resulting to any person, firm or corporation who may be injured or damaged by Contractor in the performance of this Agreement.

13. INDEPENDENT CONTRACTOR: Contractor, and the agents and employees of Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.

14. INSURANCE REQUIREMENTS

A. When Contractor submits a signed contract to the State, the Contractor shall furnish to the State a certificate of insurance, stating that there is Commercial General Liability, Worker's Compensation and any other insurance the State deems appropriate under the contract, (i.e. automobile liability, professional liability and environmental liability insurance) presently in effect for the Contractor of not less than \$1,000,000 per occurrence for bodily injury and property damage liability combined.

B. The certificate of insurance will include provisions 1, 2, and 3, in their entirety:

- 1) That the insurer will not cancel the insured's coverage without 30 days prior written notice to the State, and 10 day notice for non-payment of premiums.
- 2) That the State of California, its officers, agents, employees, and servants are included as additional insured, but only insofar as the operations under this contract are concerned.

3) That the State will not be responsible for any premiums or assessment on the policy.

C. Contractor agrees that the bodily injury liability insurance herein provided for shall be in effect at all times during the term of this contract. In the event said insurance coverage expires at any time or times during the term of this contract, Contractor agrees to provide at least 30 days prior to said expiration date, a new certificate of insurance evidencing insurance coverage as provided for herein for not less than the remainder of the term of the contract, or for a period of not less than one year. New certificates of insurance are subject to approval, and the Contractor agrees that no work or services shall be performed prior to the giving of such approval. In the event the Contractor fails to keep in effect at all times insurance coverage as herein provided, the State may, in addition to any other remedies it may have, terminate this contract upon occurrence of such event.

D. The Department will not provide for nor compensate Contractor for any insurance premiums or costs for any type or amount of insurance.

15. LIABILITY FOR NONCONFORMING WORK: The Contractor will be fully responsible for ensuring that the completed work conforms to the agreed upon terms. If nonconformity is discovered prior to the Contractor's deadline, the Contractor will be given a reasonable opportunity to cure the nonconformity. If the nonconformity is discovered after the deadline for the completion of the project, Prison Industry Authority (PIA) in its sole discretion, may use any reasonable means to cure the nonconformity. The Contractor shall be responsible for reimbursing PIA for any additional expenses incurred to cure such defects, which may include the difference between Contractor's Proposal Price and the actual cost of performing work by the second lowest contractor or by another contractor.

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16. LICENSES AND PERMITS: During the term of the contract, the Contractor must maintain all required licenses and/or permits in full force and effect. If and when the State learns that the Contractor has failed to do so, the State may, in addition to any other remedy it may have, immediately terminate this contract without any cost or liability to the State. If, after bid submission, the Contractor replaces or renews a required license or permit or obtains a newly-applicable license or permit, the Contractor shall provide the State with a copy of the renewed or replaced or newly-obtained license or permit within 20 days following the Contractor's receipt of same.
17. NON-DISCRIMINATION CLAUSE: During the performance of this Agreement, Contractor and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Contractor and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.
- Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.
18. POTENTIAL SUBCONTRACTORS: Nothing contained in this Agreement or otherwise, shall create any contractual relation between the State and any subcontractors, and no subcontract shall relieve the Contractor of his responsibilities and obligations hereunder. The Contractor agrees to be as fully responsible to the State for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Contractor. The Contractor's obligation to pay its subcontractors is an independent obligation from the State's obligation to make payments to the Contractor. As a result, the State shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor.
19. RECYCLING CERTIFICATION: The Contractor shall certify in writing under penalty of perjury, the minimum, if not exact, percentage of recycled content, both post consumer waste and secondary waste as defined in the Public Contract Code, Sections 12161 and 12200, in materials, goods, or supplies offered or products used in the performance of this Agreement, regardless of whether the product meets the required recycled product percentage as defined in the Public Contract Code, Sections 12161 and 12200. Contractor may certify that the product contains zero recycled content. (PCC 10233, 10308.5, 10354)

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20. SETTLEMENT OF DISPUTES: In the event of a dispute, Contractor shall file a "Notice of Dispute" with PIA, Business Services Section (916) 358-2755, within ten (10) days of discovery of the problem. Within ten (10) days, the PIA General Manager shall meet with the Contractor and Project Manager for purpose of resolving the dispute. The decision of the PIA shall be final. In the event of a dispute, the language contained within this Agreement shall prevail over any other language including that of the bid proposal.
21. TERMINATION FOR CAUSE: The State may terminate this Agreement and be relieved of any payments should the Contractor fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such termination the State may proceed with the work in any manner deemed proper by the State. All costs to the State shall be deducted from any sum due the Contractor under this Agreement and the balance, if any, shall be paid to the Contractor upon demand.
22. TERMINATION AT OPTION OF PIA: This Agreement may be terminated in whole or in part at any time upon thirty (30) days prior written notice by PIA to Contractor, for any reason. Upon receipt of such termination notice, Contractor shall promptly discontinue all services affected unless the notice specifies otherwise. In the event PIA terminates all or a portion of this Agreement for any reason, it is understood that PIA will provide payment to Contractor for satisfactory services rendered prior to the termination, but not in excess of the maximum amount of the Agreement. PIA may terminate the agreement immediately by giving written notice to the contractor in the event that the contractor has materially breached its obligations under this agreement.
23. TIMELINESS: Time is of the essence in this Agreement.
24. UNENFORCEABLE PROVISION: In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.
25. PRIORITY HIRING CONSIDERATIONS: If this Contract includes services in excess of \$200,000, the Contractor shall give priority consideration in filling vacancies in positions funded by the Contract to qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Pub. Contract Code §10353.